

Indiana Department of Revenue Contact Information

To obtain copies of forms, bulletins or other administrative pronouncements:

*By Internet, visit our Web site: www.in.gov/dor. (Click on either the "Tax Forms" or "Publications" link.)

*By e-mail, write to pfrequest@dor.state.in.us.

*By FAX, call our TaxFax at (317) 233-2329 (from the handset of a FAX machine).

*By telephone, call our Forms Order Line at (317) 615-2581.

For refund information:

Call our Automated Taxpayer Information System (and press "1" in response to instructions given) from a touch tone telephone: (317) 233-4018 between 8:00 A.M. Monday - 10:00 P.M. Saturday.

Other taxpayer services:

To speak with a taxpayer assistant regarding individual income taxes, call our Taxpayer Services Division at (317) 232-2240 (8:15 A.M. - 11:15; 12:30 - 4:30 P.M.).

For corporate tax questions, call (317) 615-2662.

The Indianapolis Walk-In Assistance Center is open 8:00 A.M. - 4:30 P.M.

To obtain Taxpayer Assistance Phone Numbers by specific tax types, go to: www.in.gov/dor/assistance/indy.html.

For departmental Post Office box numbers, click here: www.in.gov/dor/filingdeadlines/pdf/po_boxes.pdf.

To obtain a list of the department's District Offices, go to www.in.gov/dor/assistance/district.html.

BT-1 Now On-line

Starting a business in Indiana has just gotten easier with the Indiana Department of Revenue's new BT-1 Business Tax Application On-line Filing. Business owners can not only file on-line, but they will receive notice of the status of their applications from the Department within 48 hours after their application has been completed and submitted.

By going to the Department's web site, www.in.gov/dor/, business owners can complete one BT-1 to initiate all of the following state tax types for a new business: Sales Tax, Withholding Tax, County Innkeepers Tax, Food and Beverage Tax, Motor Vehicle Rental Excise Tax, Out-of-State Use Tax, Prepaid Gasoline Sales Tax, Private Employment Agency taxes.

The BT-1 cannot be used to update current information for existing businesses, with the exception of adding new locations or new tax types.

Business filers can click on the Taxpayer Resources section of the Department's web site, then check out the Doing Business in Indiana section. And, currently, they can go directly to the BT-1 application by clicking on "Up to the Minute" from the home page.

Other valuable information and web links on starting and maintaining business in Indiana can be found at the Department's web site, as well.

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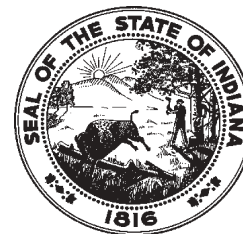
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A Quarterly Publication for Tax Practitioners, courtesy of the Indiana Department of Revenue

Visit the department on the Internet at: www.in.gov/dor.

Buyer Beware!

Software developers must go through testing and approval of forms before their product is certified by the Indiana Department of Revenue. So before you buy, be sure your software package has received Indiana certification. Approved dealers are listed at www.in.gov/dor/electronicsservices/develop.html.



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Tax Training for Practitioners Abounds in Indiana this Fall

Indiana tax practitioners looking for news about state and federal tax law changes have an abundance of tax schools, seminars and workshops around the state this fall from which to choose.

For an up-to-date listing and registration information, go to the Indiana Department of Revenue's home page on the Web at www.in.gov/dor/. Click on "Specialized Resources," then "Tax Practitioners", and finally, "Training Opportunities for Tax Practitioners."

Both Indiana University and Purdue University have announced their annual tax school schedules, and other workshops and seminars are planned by QFIT (Quality for Indiana Taxpayers), ITPA (Indiana Tax Practitioner's Association), NATP (National Association of Tax Professionals), and the Indiana Society of Public Accountants.

In addition, specialized workshops in restaurant taxes are also listed. (See also the article below on e-file workshops.)

Indiana's Federal/State e-file Workshops Announced

Eleven free federal/state e-file workshops will be conducted this fall throughout the state. The workshops will include the most up-to-date information concerning electronic filing from both the Internal Revenue Service and the Indiana Department of Revenue.

This year's agenda topics include:
New application process
e-Services
Quick Alerts
Practitioner PIN Program
Understanding rejects
Business e-file enhancements
e-filing of Forms 1120/1120S
Monitoring and suitability of ERO's
Return Preparer Compliance Programs

Overview of individual tax credit issues
Tax fraud awareness
Indiana e-file updates
Indiana Earned Income Credit

All sessions will be held from 1:00 to 5:00 P.M.. on the following dates and in the following cities:

•October 2	Indianapolis
•October 8	Fort Wayne
•October 9	South Bend
•October 22	Evansville
•October 28	Muncie
•October 30	Merrillville
•November 13	Lafayette

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INDIANA LEADS THE WAY FOR THE STREAMLINED SALES TAX PROJECT

Effective January 1, 2004 Indiana enacted Public Law 257-2003, the Streamlined Sales Tax Agreement.

The Streamlined Sales Tax Project has been a cooperative effort of State Tax Administrators, The National Governors Association, The National Council of State Legislators, The Federation of Tax Administrators, The Multi-State Tax Commission and virtually hundreds of representatives of various private sector companies and trade organizations working together with the ultimate goal of achieving a Simplified Sales Tax System within the United States while leaving the authority to determine the actual tax base within a state up to each individual state.

A voluntary assembly of revenue personnel from thirty eight (38) states drafted the Streamlined Sales Tax Project. The goal of this project was to prepare a proposed path to simplify the administration of, and compliance with, the various state sales & use tax laws throughout the United States. There are currently forty five (45) statutes, with approximately 7,500 separate sales tax jurisdictions. In various states there are separate jurisdictions for counties, cities, school districts and

transportation districts. In many instances each separate district has its own sales tax laws and in some cases their own audit division.

The United States Supreme Court ruled that a state could not require a retailer, with no physical presence (nexus) in the state, to collect the state's sales tax until the system was simplified in a way that a retailer could reasonably comply. The Court left this determination up to the United States Congress.

There are currently thirty eight (38) states which have a basic Simplified Sales and Use Tax Administration Act (Indiana: Public Law 107-2001) and eighteen (18) have enacted amendments to their sales and use tax statutes to comply with the "Agreement" while other states have proposed legislation pending to bring their state into compliance.

Indiana sales and use tax laws were used as a model due to the simplicity of Indiana's law; Indiana has no local jurisdictions. The amendments necessary were minimal and required the adoption of model definitions and codifying of Indiana's sourcing rules.

Updated Code Citations

You can find updated Indiana Code and Indiana Administrative Code citations, as well as references and Information Bulletins for corporate, individual and sales and use tax by going to the Tax Practitioners area with the Specialized Resources link on our home page: www.in.gov/dor/.

New Administrative Pronouncements

To view new Commissioner's Directives, Departmental Notices, Information Bulletins, and Tax Policy Directives, go to "Publications" from the Department's home page, www.in.gov/dor/.

LESS PAPERWORK!

Due to new legislation, effective July 1, 2003, taxpayers who remit withholding tax payments by EFT (Electronic Funds Transfer) are no longer required to file quarterly recap returns. The only paperwork required is the annual WH-3 reconciliation form which accompanies the W-2 forms.

This new legislation applies to withholding taxpayers, only. It does not affect any of the other tax types remitted by EFT.

NEW! NEW! NEW! NEW! NEW! NEW!

Spanish BT-1

BT-1 for new businesses in Spanish. Go to "Español: Formas Y Documentos" under "Assistance" from the Department's home page, www.in.gov/dor/.

Hoosier Works MasterCard

Next year, individual taxpayers who have a Hoosier Works MasterCard account and file either a 2003 IT-40, IT-40EZ or IT-40PNR will be able to direct deposit their refunds to that special account.

Three New Counties Adopt County Taxes

Clark, Porter and Vigo Counties have adopted county tax, effective January 1, 2003.

NEW Annual Comprehensive Withholding Packet Format

The 2003 Annual Comprehensive Withholding Packet will contain the (WH-1), annual withholding tax return, and the (WH-3), the annual withholding reconciliation form.

Also included are a change form, an underpayment form (WH-1U), two labels, and a recordkeeping form.

The complete packet will be mailed to registered mailing addresses in December.

Report all changes to accounts on the Change Form, or visit www.in.gov/dor/contactus/email.html.

Indiana Treatment of Bonus Depreciation

House Enrolled Act 1728-2003 updates references to the Internal Revenue Code in certain Indiana income tax statutes. For tax year 2003, any reference to the Internal Revenue Code means the Internal Revenue Code (IRC) of 1986, as amended, and in effect on January 1, 2003.

This updates the Indiana Code to correspond (retroactively) to the definition of federal adjusted gross income that incorporates The Jobs Creation and Worker Assistance Act of 2002, except for the bonus depreciation deduction. The depreciation deduction will be calculated in the same manner as calculated prior to 2001. All other provisions including the net operating loss carry back, the educator expense deduction, clean fuel vehicle deduction, and foster care exclusion have been incorporated for taxable years beginning after December 31, 2002. See [Commissioner's Directive #19](#), Federal Bonus Depreciation Deduction as Applied to Indiana Adjusted Gross Income, for information on allowance of accelerated depreciation for state tax purposes.

Note - Not included in the above reference to the Internal Revenue Code are any provisions in Public Law 108-27, The Jobs and Growth Tax Relief Reconciliation Act of 2003, which was signed by the President on May 28, 2003. Because the act was signed after January 1, 2003, this legislation is not incorporated into the Definition of Indiana Adjusted Gross Income.

Modification to Eliminate Bonus Depreciation in Tax Year 2003

Add or subtract the amount attributable to additional first-year special depreciation allowance (bonus depreciation) for qualified property allowed under IRC Section 168(k). The adjustment is equal to the difference in the

amount of adjusted gross income that would have been computed if an election had not been made to apply bonus depreciation in the year the property was placed in service.

Use the table below to determine the appropriate line to reflect the amount of bonus depreciation allowance which cannot be used to arrive at Indiana Adjusted Gross Income. Make adjustments as necessary on the designated line that corresponds to the type of annual return being filed.

Other Adjustments - Please attach a separate statement to the return to explain your bonus depreciation adjustment and to identify other changes affecting your Indiana tax liability for 2003 if you are also applying any provisions of The Jobs and Growth Tax Relief Reconciliation Act which effect your adjusted gross income.

Additional updates will be posted on the Department's web site at www.in.gov/dor/. Federal information is available at www.irs.gov.

Federal/State e-file Workshops Announced (Cont. from Pg. 1)

- November 14 Columbus
- November 19 Sellersburg
- December 11 Plainfield
- December 16 Indianapolis

These workshops may qualify for four CPE credits for CPA's and Enrolled Agents.

Early registration is necessary to ensure space and is on a first-come basis. (No confirmations will be sent.)

To get locations of the workshops and to register, call (317) 226-5235 or e-mail your registration to IndianaTec@irs.gov. Be sure to include your name, which seminar you wish to attend, your business name, address and telephone number, your e-mail address and your current e-filer EFIN, EIN or PTIN.

You may also visit www.irs.gov on the Web for FAX and postal mailing instructions.

MODIFICATION OF BONUS DEPRECIATION		
Form	Line Number	Line Title
IT-40	5	Other
IT-40PNR- Schedule A	20B	Other income reported on your federal return
Schedule IT-40PNRA	2b	Bonus depreciation allowed under Section 168(k)
IT-20	6	Bonus Depreciation Adjustment
IT-20NP	6	Bonus depreciation modification and other adjustment
IT-20S	2b	Add Back Bonus Depreciation
IT-65	2b	Add Back Bonus Depreciation
IT-41	2	Federal Deductions allocable to Tax Exempt Income
FIT-20	11	Add Back Adjustment